

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Price Changes  
Rates of General Applicability

Docket No. CP2021-127

PUBLIC REPRESENTATIVE COMMENTS ON  
POSTAL SERVICE NOTICE OF TIME-LIMITED CHANGES IN RATES  
OF GENERAL APPLICABILITY FOR COMPETITIVE PRODUCTS

(August 25, 2021)

On August 10, 2021, the Postal Service filed a notice of time-limited changes in rates of general applicability for certain Competitive products.<sup>1</sup> The proposed changes are scheduled to take effect on October 3, 2021, and will roll back to current levels on December 26, 2021. *Id.*

I. The Proposed Rate Adjustments

The Notice proposes time-limited price changes for Priority Mail Express, Priority Mail, First-Class Package Service, Parcel Select, Parcel Return Service, and USPS Retail Ground. Notice at 1. No price changes are being made to Special Services or International competitive products. *Id.*

Included in the Notice is a Governors' Decision establishing the changes, a statement of explanation and justification, and a certification of the Governors' vote. Attached to the Governors' Decision is a schedule showing the new prices incorporated into a draft of the revisions to the Competitive Products section of the Mail Classification

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<sup>1</sup> USPS Notice of Time-Limited Changes in Rates of General Applicability for Competitive Products, August 10, 2021 (Notice). This is the Postal Service's second time-limited competitive price change proposal. See Docket No. CP2020-249, USPS Notice of Time-Limited Changes in Rates of General Applicability for Competitive Products, August 14, 2020. The first time-limited competitive price changes were approved by the Commission on September 4, 2020. See Docket No. CP2020-249, Order Approving Price Adjustments for Competitive Products, September 4, 2020.

Schedule. Also attached is a schedule showing current prices that will be restored effective December 26, 2021.

Table 1-1 below, shows these proposed price changes:

**Table I-1  
Proposed Price Changes**

<b>Product Name</b>	<b>Average Price Increase (percent)</b>
<b>Domestic Competitive Products</b>	
Priority Mail Express	2.3
Retail	2.3
Commercial Base	2.2
Commercial Plus	2.2
Priority Mail	5.7
Retail	5.3
Commercial Base	6.3
Commercial Plus	6.3
Parcel Select	11.0
Destination Delivery Unit	0.0
Destination Sectional Center Facility	15.9
Destination Network Distribution Center	12.5
Lightweight	5.3
Ground	6.2
Parcel Return Service	13.0
Return Sectional Center Facility	7.4
Return Delivery Unit	18.7
First-Class Package Service	7.6
Retail	6.4
Commercial	8.0
Retail Ground	5.3

Source: See Governors' Decision No. 21-5 at 2-3.

The Commission established this proceeding on August 11, 2021, to consider the proposed rate adjustments, appointed the undersigned to serve as Public Representative, and set August 25, 2021, as the deadline for filing comments.<sup>2</sup>

## II. COMMENTS

The Public Representative has reviewed the Postal Service's Notice, the Statement of Supporting Justification, as well as the financial data filed under seal with the Postal Service's Notice. Based upon that review, the Public Representative

<sup>2</sup> See Notice and Order Concerning Time-Limited Changes in Rates of General Applicability for Competitive Products, August 11, 2021 (Order No. 5955).

concludes that the Postal Service's proposed Competitive prices should generate sufficient revenues to satisfy U.S.C. § 3633(a).

*Requirements of 39 U.S.C. § 3633.* Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices are prohibited from subsidizing market dominant products; are required to ensure that each competitive product covers its attributable costs; and, must ensure that, collectively, all competitive products contribute an appropriate share of the Postal Service's institutional costs. Based upon a review of the Postal Service's Notice and the accompanying financial data, it appears that the proposed temporary Competitive prices should generate revenues sufficient to avoid subsidization of Competitive products. In addition, it appears that the proposed prices will enable Competitive products as a whole to contribute well in excess of the minimum 9.1% of Institutional Costs as mandated by 39 C.F.R. 3035.107(c).

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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